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SENSITIVE

E.O. 12958: N/A
TAGS: [KFRD](#) [CVIS](#) [CPAS](#) [CMGT](#) [ASEC](#) [EZ](#)
SUBJECT: OCTOBER 2009 FRAUD SUMMARY - PRAGUE

1. (U) SUMMARY: Country conditions in the Czech Republic have reacted to the financial crisis but the Czech financial system remains relatively healthy. Public debt is low, the current account is small and manageable, and Czech households have not borrowed in foreign currency. The small, open, export-oriented Czech real economy, however, is suffering from a significant drop in external demand for Czech exports. The car industry, which together with its suppliers makes up roughly 20 percent of manufacturing, has been especially hard hit as has the crystal and glass industry. GDP is expected to contract by between 4 and 5 percent in 2009 and experience only modest growth in 2010. Unemployment which had fallen to record lows in the summer a year ago is expected to continue to increase and could reach 10 percent by the end of the year. Adjudicators are taking the worsening economic situation into consideration during interviews, as nationals from several other countries are employed in the Czech Republic.

1A. (U) NIV Fraud: The Czech Republic joined the Visa Waiver Program on November 17, 2008. According to statistics from DHS, Czechs are vigorously utilizing VWP - since joining VWP twice as many Czechs have applied for ESTA authorizations than applied for visas during the same period the previous (non-VWP) year.

The Czech Republic's accession to VWP has caused Post's applicant pool to narrow to mostly ESTA refusals, students, summer work and travel, crew members, petition-based visas and third-country nationals. Slovaks are the largest pool of TCNs, with Russians, Poles, Ukrainians, and Vietnamese rounding out the top five. Post has not observed clear fraud indicators in NIV cases, other than inflated financials and exaggerated employment.

NIV Validation Study

Third country nationals are a large proportion of Post's NIV caseload. TCNs are exceedingly prominent in our applicant pool. We anticipate two large scale validity studies; one focusing on J visa student travelers issued over the past summer and a second focused on TCNs. Post now has access to ADIS, text search for FSNs, as well as commercial tools available. Results will be submitted SEPTEL.

1B. (U) IV Fraud

Post has not identified IV fraud.

1C. (U) DV Fraud

Post has not identified DV fraud.

1D. (U) ACS and Passport Fraud

Post has not identified no ACS or passport fraud.

1E. (U) Adoption Fraud

Post processes virtually no adoption cases, none in over 18 months.

1F. (U) Use of DNA Testing

Post has not used DNA testing in the past year.

1G. (U) Asylum and Other DHS Benefits Fraud

Post has not identified Asylum or DHS Benefits fraud.

1H. (U) Alien Smuggling, Trafficking, Organized Crime, Terrorist Travel

The Consular Section occasionally has applicants that Post believes may be involved in organized crime. The Consular Section works closely with RSO, LEGATT and other offices in evaluating suspicious applicants.

1I. (U) DS Criminal Fraud Investigations

The Consular Section has excellent relations with Diplomatic Security and has referred numerous suspicious applicants. DS has opened cases on four of them; one has thus far been cleared.

J. (U) Host Country Passport, Identity Documents, and Civil Registry

The Czech Republic has issued biometric passports since September 2006. These passports meet both EU and ICAO security standards. Post has not identified any other document fraud.

K. (U) Cooperation with Host Government Authorities

Post has an excellent relationship with host country government officials.

L. (U) Areas of Particular Concern

None.

THOMPSON-JONES